Economic History of the Massachusetts SouthCoast

The Wampanoag Indians were the original natives of the SouthCoast. The tribe has lived for at least 10,000 years at Aquinnah (Gay Head on Martha’s Vineyard) where they pursued a traditional economy based on fishing and agriculture. In the early 1600s, the Wampanoag Indians had a population of approximately 12,000 divided between the main lands and the coastal islands. During the years between 1612 and 1620, epidemics devastated the Wampanoag Indian population and many villages were abandoned. The population had been cut by at least half by the time of the landing of the Pilgrims.

The SouthCoast has a storied industrial history that spans from the early 1800’s to the present. In 1811, Colonel Joseph Durfee opened the Globe Manufactory in Fall River, which was the first textile factory in the region. Two decades later, the city had seven textile mills and at its height was home to more than 100 cotton mills. Fall River dominated the textile manufacturing industry, and at the end of the 19th century was among the nation’s top 25 manufacturing cities and one of the richest cities in the world.

New Bedford also became one of the wealthiest cities in the world during this period with the expansion of the whaling industry. As the whaling trade slowed after the 1840’s, textile and apparel manufacturing became the dominant industry in New Bedford. Between 1881 and the beginning of World War I, 32 cotton manufacturing employing over 30,000 people, were incorporated in New Bedford.

Much of the economic activity in the SouthCoast’s rural areas was based on agriculture and industries that supported the fishing and maritime trades, including ship building, and rope, lumber, tar, and turpentine production. During the 1890’s, the region’s coastal towns became summer resort communities for affluent people from the mid-Atlantic states. The region’s maritime heritage continued with the development of recreational marinas, fishing, and shellfish harvesting.

Manufacturing in Fall River and New Bedford began a long decline in the twentieth century as petroleum replaced whale oil, textile and manufacturers relocated to the southeastern United States, and industry owners failed to invest in new technologies. During the 1920s, the SouthCoast’s industrial problems accelerated as tens of thousands of jobs were lost in the textile and apparel industries alone. This trend continued through the Great Depression and World War II.

The entire region’s economic base has been heavily dependent on manufacturing jobs located in the cities and, consequently, its economy has been extremely volatile with wide fluctuations in unemployment levels between peaks and troughs of the business cycle. While other communities in the state were diversifying their economies by attracting firms in new industries such as aerospace, electronics, defense, and medical research, new industries did not emerge in the SouthCoast region to compensate for the loss of traditional manufacturing jobs. The region remained dependent on traditional manufacturing, and further job losses to other states, nations, and to technological innovation had a crippling effect on the region’s economic health. As a result, Fall River’s population declined from more than 140,000 in 1920 to 88,857 in 2010, while New Bedford’s population declined from more than 150,000 in 1920 to 95,072 in 2010.

Although the region experienced an increase in jobs during the “Massachusetts Miracle” of the 1980’s, the manufacturing sector continued its long decline. From 1983 to 1990, over 370,000 private sector jobs were created in Massachusetts, but manufacturing lost nearly 73,000 jobs statewide. New Bedford and Fall River suffered the most significant manufacturing job losses in the state. In 1985, manufacturing employment accounted for 42.7% of employment in Fall River and 43.4% of total employment in New Bedford, whereas manufacturing accounted for only 21.1% of total employment statewide. However, in 2012 (3Q), manufacturing accounted for only 13.4% of employment in Fall River and 16.4% of employment in New Bedford, although Fall River and New Bedford are still more dependent on manufacturing jobs as the state as a whole. Several of the surrounding SouthCoast towns were also affected by this post-industrial shift, although to a lesser degree than its cities.
Thus, for more than two-decades, the New Bedford and Fall River areas have struggled with the structural shocks of de-industrialization. The cumulative effects of nearly three-quarters of a century of de-industrialization produced an acute employment shock in the region since 1985. The failure to modernize workforce skills, production technologies, and product development finally proved devastating to the region’s economy as total employment in New Bedford and Fall River declined precipitously, with the erosion of the cities’ manufacturing base accounting for a significant portion of the total employment decline.

Only gradually and belatedly has the opposite process of “post-industrialization” begun to take hold in the region’s economy. The SouthCoast region’s transition to a post-industrial economy is evident in the shift from “blue-collar” manufacturing to high-tech manufacturing and services. Between 1960 and 1990, services replaced manufacturing as the single largest employment sector in the SouthCoast. Currently, health care, educational services, retail trade, and business services are four of the most rapidly expanding employment sectors in the region and they are projected to remain at the forefront of the region’s employment growth, while opportunities for new growth exist around a renewal of high-tech manufacturing.